

STEPHANIE M. HINDS (CABN 154284)  
Acting United States Attorney  
SARA WINSLOW (DCBN 457643)  
Chief, Civil Division  
VALERIE E. SMITH (NYBN 5112164)  
Assistant United States Attorney

450 Golden Gate Avenue, Box 36055  
San Francisco, California 94102-3495  
Telephone: (415) 436-6985  
Facsimile: (415) 436-6748  
valerie.smith2@usdoj.gov

Attorneys for Defendant

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

AMAL YOUSSEF KAZZOUH, et al., ) CASE NO. 20-cv-2078-JD  
) Plaintiff, )  
) STIPULATION OF SETTLEMENT AND  
) RELEASE AND DISMISSAL WITH )  
) PREJUDICE; ~~PROPOSED~~ ORDER  
)  
)  
)  
)  
v. )  
)  
UNITED STATES OF AMERICA, )  
)  
Defendant. )

Plaintiffs Amal Youssef Kazzouh, Rana Bechara Bayyadi, Bernard Georges Bassil, and Hope for Haight, Inc., d/b/a Amal's Deli ("Plaintiffs") and Defendant United States of America ("Defendant"), by and through the United States Attorney for the Northern District of California, (collectively, the "Parties"), hereby agree and stipulate that the above-captioned case shall be settled and dismissed on the following terms:

1. The parties enter into this Stipulation of Settlement and Release and Dismissal with Prejudice (“Stipulation”) in order to make full and final settlement of any and all claims, allegations, or causes of action that Plaintiffs raised or could have raised in this action. Plaintiffs also agree to accept the terms set forth herein in full satisfaction of any and all claims, demands, rights and causes of action of any nature based upon or related to this cause of action through the date of this Stipulation, including but not limited to all claims asserted or that could have been asserted in the above-captioned civil action.

STIPULATION OF SETTLEMENT AND RELEASE AND DISMISSAL WITH PREJUDICE; [PROPOSED] ORDER  
20-CV-02078-ID

1       2. The parties agree that each party shall bear all of its own litigation costs and attorneys' fees.

3       3. The United States Department of Agriculture ("USDA") Food Nutrition Service ("FNS")  
 4 agrees to alter Plaintiffs' sanction from a permanent disqualification to a civil money penalty ("CMP") of  
 5 \$18,500.00, payable in twenty-four (24) installments. Plaintiffs shall make their first installment payment  
 6 of \$5,000.00 by electronic funds transfer pursuant to written instructions to be provided by the Office of  
 7 the United States Attorney for the Northern District of California. The first payment is to be made no  
 8 later than fourteen (14) days after the entry of an order on this Agreement. The remaining payments shall  
 9 be made on the 14<sup>th</sup> day of each month thereafter twenty-two (22) payments in the amount of \$586.96.50,  
 10 beginning on May 14, 2021, and the twenty-third (23) and final payment shall be in the amount of \$587.10,  
 11 and using the same method of payment. If Plaintiffs fail to pay any installment of the CMP when any  
 12 payment is due (with a ten-day grace period), Plaintiffs shall be in default of this Stipulation and agree  
 13 that: (a) Plaintiffs' authorization to participate as an authorized retail food store in the Supplemental  
 14 Nutrition Assistance Program ("SNAP") shall be immediately and permanently withdrawn, commencing  
 15 the tenth day after the due date of the CMP installment; (b) Plaintiffs waive the right to administrative or  
 16 judicial review of such permanent withdrawal; and (c) Plaintiffs shall forfeit any portion of the total CMP  
 17 that Plaintiffs have already paid.

18       4. Plaintiffs agree to complete and submit a new application to participate in SNAP within 45  
 19 days of entry of the Order dismissing this Action. For the purposes of this new application, and any other  
 20 applications or re-applications, FNS agrees that it shall not consider Plaintiffs' prior disqualification  
 21 and/or the administrative action at issue in the above-captioned matter when determining whether  
 22 Plaintiffs are eligible to participate in SNAP. Plaintiffs further understand and agree that all SNAP  
 23 eligibility conditions shall apply, including but not limited to compliance store visits, as provided under  
 24 Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. § 2018, *et seq.*) and inspections and  
 25 investigations (7 C.F.R. § 278). If, after review, FNS authorizes Plaintiffs to participate in SNAP,  
 26 Plaintiffs shall abide by all applicable laws and regulations governing SNAP. A FNS representative will  
 27 conduct an in-person store visit to evaluate the store's inventory and operations for compliance with SNAP  
 28 requirements as soon as practicable in light of the coronavirus (COVID-19) pandemic. Plaintiffs agree

1 that FNS's determination of any new application will not be a ground for Plaintiffs to rescind this  
 2 agreement.

3       5. Plaintiffs agree to obtain, within thirty (30) days of the Effective Date of this Stipulation,  
 4 a Collateral Bond/Irrevocable Letter of Credit in favor of FNS in the amount of one thousand dollars  
 5 (\$1,000.00) to ensure that program integrity is protected as provided in the SNAP regulations at 7 C.F.R.  
 6 § 278.1(b)(4)(i)(D). All terms and conditions are set forth in Exhibit A, which is attached hereto and  
 7 incorporated by reference. This Collateral Bond/Letter of Credit shall be maintained and remain in full  
 8 force and effect for a term of three (3) years from the date of issuance. Copies of the Collateral Bond/Letter  
 9 of Credit should be provided via email to the Office of the United States Attorney for the Northern District  
 10 of California, and mails to the following address:

11                   USDA Food and Nutrition Service  
 12                   PO Box 7228 (USPS only)  
 12                   Falls Church, VA 22040

13       6. Plaintiffs shall comply with, and remain subject to, all applicable laws and regulations of  
 14 SNAP and shall fulfill their obligations as set forth in this Stipulation including training its store owners,  
 15 officers, agents, managers, and permanent and temporary workers, whether paid or unpaid, in accordance  
 16 with the training guidelines available at <https://www.fns.usda.gov/snap/retailer/training> and at [https://fns-prod.azureedge.net/sites/default/files/resource-files/SNAP\\_General\\_Training\\_Responsibilities.pdf](https://fns-prod.azureedge.net/sites/default/files/resource-files/SNAP_General_Training_Responsibilities.pdf).  
 17 Plaintiffs must submit documentation of training to FNS within thirty (30) days of reauthorization to the  
 18 Retailer Operations and Compliance Division at the following email: [SM.FN.ROCretailreply@usda.gov](mailto:SM.FN.ROCretailreply@usda.gov).

20       7. Plaintiffs shall display the "SNAP Fraud Poster," available at [https://fns-prod.azureedge.net/sites/default/files/SNAP\\_fraud\\_poster\\_desktop\\_prt.pdf](https://fns-prod.azureedge.net/sites/default/files/SNAP_fraud_poster_desktop_prt.pdf), within Amal's Deli, AKA  
 21 Hope for Haight/Cedar Deli in a position that is prominent and visible to customers.

23       8. Dismissal with Prejudice. Execution of this Stipulation and its approval by the Court shall  
 24 constitute dismissal of this case with prejudice pursuant to Fed. R. Civ. P. 41(a).

25       9. Release. As noted in Paragraph 1 above, this Stipulation provides for the full and complete  
 26 satisfaction of all claims which have been or could have been asserted by Plaintiffs in the above-captioned  
 27 civil action and in any administrative complaint and/or grievance, including without limitation all claims  
 28 for costs, attorneys' fees, and interest or other compensation for delay, and Plaintiffs agree not to hereafter

1 assert any claim or institute or prosecute any civil action or other proceeding against the United States, its  
 2 agencies or officials, or its present or former employees or agents, in either their official or individual  
 3 capacities, with respect to any event complained of therein. Plaintiffs hereby fully and forever release and  
 4 discharge the United States, its agencies and officials, and its present and former employees and agents,  
 5 in their official and individual capacities, from any and all rights and claims of every kind, nature, and  
 6 description, whether presently known or unknown, which Plaintiffs now have or may have arising out of  
 7 or in connection with any event occurring on or before the date on which they have executed this  
 8 Stipulation. In connection with this release, Plaintiffs acknowledge that they are aware that they may  
 9 hereafter discover rights or claims presently unknown and unsuspected, or facts in addition to or different  
 10 from those which they now know with respect to the rights and claims released herein. Nevertheless,  
 11 Plaintiffs agree, through this Stipulation, to settle and release all such rights and claims; provided,  
 12 however, that nothing in this Stipulation shall affect any rights or claims that may arise after the date  
 13 Plaintiffs sign this Stipulation.

14 10. No Assignment. Plaintiffs represent and warrant that they are the sole lawful owner of all  
 15 of the rights and claims which they have settled and released herein, and that they have not transferred or  
 16 assigned any of those rights and claims or any interest therein. Plaintiffs shall indemnify, hold harmless,  
 17 and defend the United States, its agencies and officials, and its present and former employees and agents,  
 18 in their official and individual capacities, from and against any transferred, assigned, or subrogated  
 19 interests in those rights and claims.

20 11. No Admission of Liability. This Stipulation has been entered into by Plaintiffs and  
 21 Defendant solely for the purposes of compromising disputed claims without protracted legal proceedings  
 22 and avoiding the expense and risk of such litigation. Therefore, this Stipulation is not intended and shall  
 23 not be deemed an admission by either party of the merit or lack of merit of the opposing party's claims  
 24 and defenses. Without limiting the generality of the foregoing, this Stipulation does not constitute, and  
 25 shall not be construed as, an admission that the United States, the USDA, FNS, or any of their present or  
 26 former employees or agents violated any of Plaintiffs' rights or any laws or regulations, or as an admission  
 27 of any contested fact alleged by Plaintiffs in connection with this case or otherwise. This Stipulation may  
 28 not be used as evidence or otherwise in any civil or administrative action or proceeding against the United

1 States or any of its agencies or officials or present or former employees or agents, either in their official  
2 or individual capacities, except for proceedings necessary to implement or enforce the terms hereof.  
3 Furthermore, this Agreement is not intended to have any other reciprocal implications or effects upon the  
4 Plaintiffs' participation in state programs.

5       12. Tax Consequences. Plaintiffs acknowledge that they have not relied on any representations  
6 by the United States or its employees or agents as to the tax consequences of this Stipulation or any  
7 payments made by or on behalf of the United States hereunder. Plaintiffs shall be solely responsible for  
8 compliance with all federal, state, and local tax filing requirements and other obligations arising from this  
9 Stipulation that are applicable to Plaintiffs.

10       13. Entire Agreement. This Stipulation contains the entire agreement between the parties  
11 hereto and supersedes all previous agreements, whether written or oral, between the parties relating to the  
12 subject matter hereof. No promise or inducement has been made except as set forth herein, and no  
13 representation or understanding, whether written or oral, that is not expressly set forth herein shall be  
14 enforced or otherwise be given any force or effect in connection herewith.

15       14. Amendments. The terms of this Stipulation may not be modified or amended, and no  
16 provision hereof shall be deemed waived, except by a written instrument signed by both parties.

17       15. Construction. The parties acknowledge that the preparation of this Stipulation was  
18 collaborative in nature, and so agree that any presumption or rule that an agreement is construed against  
19 its drafter shall not apply to the interpretation of this Stipulation or any term or provision hereof.

20       16. Headings. The paragraph headings in this Stipulation have been inserted for convenience  
21 of reference only, and shall not limit the scope or otherwise affect the interpretation of any term or  
22 provision hereof.

23       17. Inadvertent Disclosure. On or around August 19, 2020, Defendant produced a partially  
24 redacted copy of the administrative record (“AR”) for this case. On or about September 21, 2020,  
25 Defendant produced an unredacted copy of the AR for this case pursuant to a protective order. Thereafter,  
26 Defendant discovered that the AR contained confidential information, including information related to  
27 Defendant’s Anti-Fraud Locator Using Electronic Benefit Transfer Retailer Transactions (“ALERT”)  
28 system. Plaintiffs and their counsel agree that the production of the AR constituted an inadvertent

1 disclosure within the meaning of Federal Rule of Evidence 502(b). Thus, Plaintiffs and their counsel  
2 agree to return all copies of the AR to Defendant. In addition, Plaintiffs and their counsel agree to  
3 permanently delete or destroy all copies, partial copies, electronic copies, and records of any kind  
4 reflecting information from the AR. This includes, but is not limited to, any copies, partial copies,  
5 electronic copies, or records of any kind used during a deposition. Plaintiffs and their counsel will certify  
6 that they have completed these actions within seven (7) days of the execution of this agreement. Plaintiffs  
7 and their counsel agree that production of the AR in this matter does not constitute a waiver of any  
8 privilege or protection, and will not be used or relied upon in any way. The parties agree to submit, at the  
9 same time as this Settlement Agreement, a joint motion for an order from the Court deeming the disclosure  
10 of the AR to be an inadvertent disclosure that is subject to the protections of Federal Rule of Evidence  
11 502.

12        18. Severability. The provisions of this Stipulation are severable, and any invalidity or  
13 unenforceability of any one or more of its provisions shall not cause the entire agreement to fail or affect  
14 the validity or enforceability of the other provisions herein, which shall be enforced without the severed  
15 provision(s) in accordance with the remaining provisions of this Stipulation.

16        19. Further Assurances. Each party agrees to take such actions and to execute such additional  
17 documents as may be necessary or appropriate to fully effectuate and implement the terms of this  
18 Stipulation.

19       20. Notices. Any notice required or permitted to be given pursuant to this Stipulation shall be  
20 in writing and shall be delivered by hand, or transmitted by e-mail, addressed as follows or as each party  
21 may subsequently specify by written notice to the other:

22 | If to Plaintiffs:

23                   With a copy to:           Andrew Z. Tapp, Esq.  
24   Metropolitan Law Group, PLLC  
25   1971 W. Lumsden Road, #326  
   Brandon, FL 33511-8820  
   Email: [Andrew@Metropolitan.legal](mailto:Andrew@Metropolitan.legal)

26 If to the United States: United States Attorney's Office  
27 c/o Valerie E. Smith  
28 Northern District of California  
450 Golden Gate Avenue, Box 36055  
San Francisco, CA 94102-3494

1 Email: [Valerie.smith2@usdoj.gov](mailto:Valerie.smith2@usdoj.gov)

2 With a copy to: Marnie G. Ganotis  
3 Office of the General Counsel  
4 U.S. Department of Agriculture  
5 630 Sansome Street, Room 1040  
6 San Francisco, CA 94111-2218  
7 Email: [marnie.ganotis@usda.gov](mailto:marnie.ganotis@usda.gov)

8  
9 21. Execution. This Stipulation may be executed in two or more counterparts, each of which  
10 shall be deemed to be an original and all of which together shall be deemed to be one and the same  
11 agreement. A facsimile or other duplicate of a signature shall have the same effect as a manually executed  
12 original.

13 22. Governing Law. This Stipulation shall be governed by the laws of the United States  
14 without regard to any conflicting choice of law rules.

15 23. Binding Effect and Effective Date. This agreement is effective on the date of the signature  
16 of the last signatory to the Stipulation (“Effective Date”). Copies of signature shall constitute acceptable,  
17 binding signatures for purposes of this Stipulation. Upon execution of this Stipulation by all parties hereto,  
this Stipulation shall be binding upon and inure to the benefit of the parties and their respective heirs,  
personal representatives, administrators, successors, and assigns. Each signatory to this Stipulation  
represents and warrants that he or she is fully authorized to enter into this Stipulation.

18 IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this  
19 Stipulation on the dates shown below.

20  
21 IT IS SO STIPULATED.

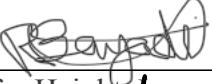
22 DATED: 4/23/2021

*Amal Kazzouh*  
23 AMAL KAZZOUH, Plaintiff

  
24  
25 DATED: 4/23/2021  
26  
27 DATED:  
28

BERNARD BASSIL, Plaintiff

1 DATED 4/23/2021

  
2 Hope for Haight, Inc., a California Corp. d/b/a Amal's Deli,  
3 Plaintiff

4 DATED: 04/26/2021

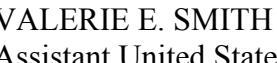
  
5 ANDREW Z. TAPP

6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
Attorney for Plaintiffs

STEPHANIE M. HINDS  
Acting United States Attorney

DATED:

By:

  
VALERIE E. SMITH  
Assistant United States Attorney

Attorneys for Defendant

1 **[PROPOSED] ORDER**

2 Pursuant to the Parties' Stipulation, it is hereby ordered that:

3 1. Defendant's production in this case of materials related to its ALERT system was an  
4 inadvertent disclosure under Federal Rule of Evidence 502(d), and shall not waive any privilege or  
5 protection in this or any other federal or state proceeding;

6 2. This action is dismissed with prejudice with each party to bear their own costs and  
7 attorney's fees.

8 IT IS SO ORDERED.

9  
10 Dated: June 10, 2021

